

**2005 BILL**

1     **AN ACT** *to create* 134.75 of the statutes; **relating to:** refunds of remaining  
2           balances on gift certificates, gift cards, and other gift obligations and providing  
3           a penalty.

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***Analysis by the Legislative Reference Bureau***

This bill regulates the sale and redemption of gift certificates, gift cards, or similar items (gift obligations). When a person redeems a gift obligation and the resulting balance of the the gift obligation is less than \$5, this bill requires the person redeeming the gift obligation to refund the balance in cash, upon the request of the person redeeming the gift obligation. The bill also forbids the sale of a gift obligation unless the date of the sale is written on the face of the gift obligation. The provisions of the bill do not apply to on-line gift accounts.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

4           **SECTION 1.** 134.75 of the statutes is created to read:

5           **134.75 Refunds of balances on gift obligations.** (1) In this section, "gift  
6           obligation" means a gift certificate, gift card, or other written document that is

**BILL****SECTION 1**

1 evidence of an obligation arising from a transaction between a seller and a purchaser  
2 under which the seller will provide goods or services at a later date up to the value  
3 shown on the document. "Gift obligation" does not include an on-line gift account.

4 (2) (a) If the holder of a gift obligation partially redeems the gift obligation, and  
5 the resulting balance of the gift obligation is less than \$5, the seller shall, at the  
6 holder's request, refund to the holder the balance of the gift obligation in cash.

7 (b) No person may sell a gift obligation unless the date of the sale is written on  
8 the face of the gift obligation.

9 (3) A person who violates this section shall forfeit not less than \$25 nor more  
10 than \$100 for each violation.

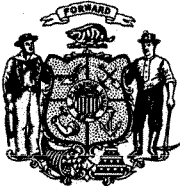
11 **SECTION 2. Initial applicability.**

12 (1) This act first applies to gift obligations, as defined in section 134.75 (1) of  
13 the statutes, as created by this act, that are sold on the effective date of this  
14 subsection.

15 **SECTION 3. Effective date.**

16 (1) This act takes effect on first day of the 10th month beginning after  
17 publication.

18 (END)



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-0647/2  
CTS:lmk&kjfrs  
lmk&kjfrs

2005 BILL

(d-n)

Releen

- 1 AN ACT *to create* 134.75 of the statutes; **relating to:** terms and conditions of gift  
2 certificates, gift cards, and other gift obligations and providing a penalty. ✓

---

***Analysis by the Legislative Reference Bureau***

This bill regulates the sale and redemption of gift certificates, gift cards, or similar items (gift obligations). ✓ The bill prohibits the sale of gift obligations that are subject to expiration dates, ✓ and prohibits reducing the value of a gift obligation as a penalty for nonuse. ✓ The bill also prohibits the sale of a gift obligation unless the date of the sale is written on the face of the gift obligation. ✓ When a person redeems a gift obligation and the resulting balance of the the gift obligation is less than \$5, this bill requires the person redeeming the gift obligation to refund the balance in cash, upon the request of the person redeeming the gift obligation. The provisions of the bill do not apply to on-line gift accounts. ✓

✓ For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

- 3 SECTION 1. 134.75 of the statutes is created to read:  
4 **134.75 Gift obligations.** (1) In this section, "gift obligation" means a gift  
5 certificate, gift card, or other written document that is evidence of an obligation

**BILL****SECTION 1**

1 arising from a transaction between a seller and a purchaser under which the seller  
2 will provide goods or services at a later date up to the value shown on the document.  
3 "Gift obligation" does not include an on-line gift account.

4 (2) No person may sell a gift obligation unless the face of the gift obligation  
5 clearly indicates the date on which the gift obligation was sold. ✓

6 (3) No person may reduce the value of a gift obligation as a penalty for nonuse. ✓

7 (4) No person may sell a gift obligation that is subject to an expiration date.  
8 An expiration date purporting to apply to a gift obligation shall be void and  
9 unenforceable. ✓

10 (5) If the holder of a gift obligation partially redeems the gift obligation, and  
11 the resulting balance of the gift obligation is less than \$5, the seller shall, at the  
12 holder's request, refund to the holder the balance of the gift obligation in cash. ✓

13 (6) A person who violates this section shall forfeit not less than \$25 nor more  
14 than \$100 for each violation. ✓

**SECTION 2. Initial applicability.**

16 (1) This act first applies to gift obligations, as defined in section 134.75 (1) of  
17 the statutes, as created by this act, that are sold on the effective date of this  
18 subsection. ✓

**SECTION 3. Effective date.**

20 (1) This act takes effect on first day of the 10th month beginning after  
21 publication. ✓

22 (END)

(d-n)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0647/2dn

CTS: ~~link & kfrs~~

link & lcf

(date)

Representative Krusick:

This redraft incorporates two additional provisions: a prohibition on reducing the value of a gift obligation as a penalty for nonuse, and a prohibition on expiration dates. Please review these additions carefully to make sure they are consistent with your intent.

Also, in reviewing the exclusion for on-line gift accounts, it occurs to me that this term is somewhat ambiguous. Please let me know if you would like to discuss revising this provision.

Christopher T. Sundberg  
Legislative Attorney

Phone: (608) 266-9739

E-mail: christopher.sundberg@legis.state.wi.us

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0647/2dn  
CTS:lmk&kjf:rs

December 15, 2004

Representative Krusick:

This redraft incorporates two additional provisions: a prohibition on reducing the value of a gift obligation as a penalty for nonuse, and a prohibition on expiration dates. Please review these additions carefully to make sure they are consistent with your intent.

Also, in reviewing the exclusion for on-line gift accounts, it occurs to me that this term is somewhat ambiguous. Please let me know if you would like to discuss revising this provision.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: [christopher.sundberg@legis.state.wi.us](mailto:christopher.sundberg@legis.state.wi.us)

12/28/04

LRB-0647 (A) Christian Moran

- (1) Online gift account: define? otherwise clarify online exception.
- (2) Exc. for expiration date  $\geq 5$  years.

## **Sundberg, Christopher**

---

**From:** Moran, Christian  
**Sent:** Tuesday, December 28, 2004 2:35 PM  
**To:** Sundberg, Christopher  
**Subject:** RE: gift cards

I don't believe that was the intent. Please delete the words "up to the value shown on the document."

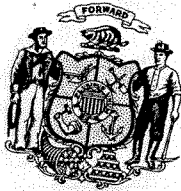
-----Original Message-----

**From:** Sundberg, Christopher  
**Sent:** Tuesday, December 28, 2004 2:16 PM  
**To:** Moran, Christian  
**Subject:** gift cards

In refining the definition of "gift obligation," I wonder if the words "up to the value shown on the document" are necessary. This would seem to leave out cards that don't show the value of the gift. Please let me know if this was your intent.

Christopher Sundberg  
Legislative Attorney  
Legislative Reference Bureau  
(608) 266-9739  
christopher.sundberg@legis.state.wi.us





State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-0647/2  
CTS: [unclear]  
[unclear]

2005 BILL

11/12/05  
D-note

unless the expiration date is at least  
five years after the date of the sale  
The bill

ReGen

1 AN ACT to create 134.75 of the statutes; relating to: terms and conditions of gift  
2 certificates, gift cards, and other gift obligations and providing a penalty.

*Analysis by the Legislative Reference Bureau*

This bill regulates the sale and redemption of gift certificates, gift cards, or similar items (gift obligations). The bill prohibits the sale of gift obligations that are subject to expiration dates, and prohibits reducing the value of a gift obligation as a penalty for nonuse. The bill also prohibits the sale of a gift obligation unless the date of the sale is written on the face of the gift obligation. When a person redeems a gift obligation and the resulting balance of the gift obligation is less than \$5, this bill requires the person redeeming the gift obligation to refund the balance in cash, upon the request of the person redeeming the gift obligation. The provisions of the bill do not apply to on-line gift accounts.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 134.75 of the statutes is created to read:

134.75 Gift obligations. (1) In this section, "gift obligation" means a gift certificate, gift card, or other written document that is evidence of an obligation

INSA-1

**BILL****SECTION 1**

arising from a transaction between a seller and a purchaser under which the seller will provide goods or services at a later date up to the value shown on the document.

"Gift obligation" does not include an on-line gift account.

(2) No person may sell a gift obligation unless the face of the gift obligation clearly indicates the date on which the gift obligation was sold.

(3) No person may reduce the value of a gift obligation as a penalty for nonuse.

(4) No person may sell a gift obligation that is subject to an expiration date. An expiration date purporting to apply to a gift obligation shall be void and unenforceable.

(5) If the holder of a gift obligation partially redeems the gift obligation, and the resulting balance of the gift obligation is less than \$5, the seller shall, at the holder's request, refund to the holder the balance of the gift obligation in cash.

(6) A person who violates this section shall forfeit not less than \$25 nor more than \$100 for each violation.

**SECTION 2. Initial applicability.**

(1) This act first applies to gift obligations, as defined in section 134.75 (1) of the statutes, as created by this act, that are sold on the effective date of this subsection.

**SECTION 3. Effective date.**

(1) This act takes effect on first day of the 10th month beginning after publication.

(END)

D-Note

2005-2006 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0647/3ins  
CTS:lmk&kjfrs

**Insert A-1:**

NOT the sale or redemption of a gift obligation transacted through the Internet, or  
to a gift obligation that may be redeemed exclusively through an Internet  
transaction.

**Insert 2-7:**

NOT , unless the expiration date is at least five years after the date on which the gift  
obligation is sold.

**Insert 2-15:**

(7) (a) Subsections (2), (4), and (5) do not apply to the sale or redemption of a  
gift obligation that is transacted exclusively through the Internet.

(b) Subsection (3) does not apply to a gift obligation that may be redeemed  
exclusively through an Internet transaction.

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0647/3dn  
CTS:lmk&kjfrs

Keep

(date)

Representative Krusick:

This is a redraft of LRB-0647/2 based on instructions from your aide, Christian Moran. Please review it carefully to ensure it is consistent with your intent.

This draft permits the sale of a gift obligation subject to an expiration date, if the expiration date is more than five years from the date of sale. In an effort to clarify the previous draft's exclusion for "on-line gift accounts," this draft contains exclusions for the sale or redemption of gift obligations over the Internet and for gift obligations that may be redeemed exclusively through an Internet transaction. I have also omitted the phrase "up to the value shown on the document" from the definition of "gift obligation," in order to ensure the scope of the application of the draft is consistent with your intent.

be

that

an

transacted through

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0647/3dn  
CTS:lmk&kjf:pg

January 14, 2005

Representative Krusick:

This is a redraft of LRB-0647/2 based on instructions from your aide, Christian Moran. Please review it carefully to ensure it is consistent with your intent.

This draft permits the sale of a gift obligation subject to an expiration date, if the expiration date is more than five years from the date of sale. In an effort to clarify the previous draft's exclusion for an "on-line gift account," this draft contains exclusions for the sale or redemption of gift obligations transacted through the Internet and for gift obligations that may be redeemed exclusively through an Internet transaction. I have also omitted the phrase "up to the value shown on the document" from the definition of "gift obligation," in order to ensure that the scope of the application of the draft is consistent with your intent.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us

## **Sundberg, Christopher**

---

**From:** Moran, Christian  
**Sent:** Wednesday, February 16, 2005 9:42 AM  
**To:** Sundberg, Christopher  
**Subject:** revision to LRB-647/3 (gift cards)

Chris,

Per my voice mail, please include an exclusion in the bill whereby the limitations and prohibitions set forth would not apply when a gift card or certificate is:

- 1) Given as an award or as a promotion, and no money or other value is exchanged
- 2) Is sold below face value of the card to an employer, or to a nonprofit or charitable organization for fundraising purposes

Any chance we can get a redraft by tomorrow?

Thanks,

Christian Moran  
Office of Representative Peggy Krusick  
State Capitol, 128 North  
Madison, WI 53708  
608-266-1733



State of Wisconsin  
2005 - 2006 LEGISLATURE

14 RMR  
LRB-064768

CTS:lmk&kjf:pg

cis:js: —  
lmk&

2005 BILL

In: 2/16/05

Due: Thursday noon  
2/17/05

ID-note Register cat.

- 1 AN ACT to create 134.75 of the statutes; relating to: terms and conditions of gift  
2 certificates, gift cards, and other gift obligations and providing a penalty.

*Analysis by the Legislative Reference Bureau*

INS A  
a  
This bill regulates the sale and redemption of gift certificates, gift cards, or similar items (gift obligations). The bill prohibits the sale of a gift obligation that is subject to an expiration date, unless the expiration date is at least five years after the date of the sale. The bill prohibits reducing the value of a gift obligation as a penalty for nonuse. The bill also prohibits the sale of a gift obligation unless the date of the sale is written on the face of the gift obligation. When a person redeems a gift obligation and the resulting balance of the the gift obligation is less than \$5, the bill requires the person redeeming the gift obligation to refund the balance in cash, upon the request of the person redeeming the gift obligation. The provisions of the bill do not apply to the sale or redemption of a gift obligation transacted through the Internet; or to a gift obligation that ~~may~~ must be redeemed ~~exclusively~~ through an Internet transaction. (3) and the

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

- 3 SECTION 1. 134.75 of the statutes is created to read:

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0647/4dn  
CTS:lmk&kjf:pg

February 16, 2005

Representative Krusick:

This is a redraft of LRB-0647/3. I have added an exclusion for gift obligations that are sold for less than the amount of the obligation, and slightly altered the definition of "gift obligation" for clarity. Please call me if you have any questions or if you would like to make further changes to the draft.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: [christopher.sundberg@legis.state.wi.us](mailto:christopher.sundberg@legis.state.wi.us)



## BILL

## SECTION 1

, for consideration

1 **134.75 Gift obligations.** (1) In this section, "gift obligation" means a gift  
2 certificate, gift card, or other ~~written~~ document that is evidence of an obligation  
3 arising from a transaction between a seller and a purchaser under which the seller  
4 agrees to provide goods or services at a later date. <sup>up to a specified amount,</sup>

5 (2) No person may sell a gift obligation unless the face of the gift obligation <sup>to the bearer of the gift</sup>  
6 clearly indicates the date on which the gift obligation was sold. <sup>certificate, gift card, or other</sup>  
<sup>document</sup>

7 (3) No person may reduce the value of a gift obligation as a penalty for nonuse.

8 (4) No person may sell a gift obligation that is subject to an expiration date,  
9 unless the expiration date is at least 5 years after the date on which the gift obligation  
10 is sold. An expiration date <sup>that purports</sup> purporting to apply to a gift obligation shall be void and  
11 unenforceable. <sup>and that is less than 5 years after the date on which the gift obligation is sold</sup>  
<sup>of less than 5 years</sup>

12 (5) If the holder of a gift obligation partially redeems the gift obligation, and  
13 the resulting balance of the gift obligation is less than \$5, the seller shall, at the  
14 holder's request, refund to the holder the balance of the gift obligation in cash.

15 (6) A person who violates this section shall forfeit not less than \$25 nor more  
16 than \$100 for each violation. <sup>INS 2-17</sup>

17 (7) ~~(a)~~ Subsections (2), (4), and (5) do not apply to the sale or redemption of a  
18 gift obligation that is transacted exclusively through the Internet.

19 ~~(b)~~ Subsection (3) does not apply to a gift obligation that <sup>must</sup> may be redeemed  
20 exclusively through an Internet transaction.

## SECTION 2. Initial applicability.

21 (1) This act first applies to gift obligations, as defined in section 134.75 (1) of  
22 the statutes, as created by this act, that are sold on the effective date of this  
23 subsection.  
24

## SECTION 3. Effective date.

# BILL

1           (1) This act takes effect on first day of the 10th month beginning after  
2       publication.

3 (END)

2005-2006 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-0647/4ins  
CTS::

1 **Insert A:**

any of the following: (1) a gift obligation sold for less than the amount of the obligation; (2)

2  
3 **Insert 2-17:**

4 (a) This section does not apply to a gift obligation sold to a purchaser for an  
5 amount that is less than the amount of the gift obligation.

no # ~~(a)~~ This section does not apply to any  
of the following:

(a) A gift obligation sold to a purchaser for an amount that is less than the amount of the gift obligation.

(b) The sale ~~or~~ or redemption of a gift obligation that is transacted exclusively through the Internet.

(c) A gift obligation that must be redeemed through an Internet transaction.

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0647/4dn  
CTS:lmk&kjf:pg

Representative Krusick:

This is a redraft of LRB-0647/3. I have added an exclusion for gift obligations that are sold for less than the amount of the obligation, and slightly altered the definition of "gift obligation" for clarity. Please call me if you have any questions or if you would like to make further changes to the draft.

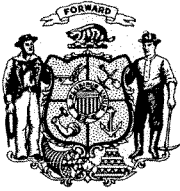
Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: [christopher.sundberg@legis.state.wi.us](mailto:christopher.sundberg@legis.state.wi.us)

2/17/08 0647

Christian/Krueck

Limit ~~at~~ exclusion for CDs sold  
below face value to CDs sold to  
charitable org or for charitable  
fundraising.

Char or non profit



State of Wisconsin  
2005 - 2006 LEGISLATURE

15  
LRB-064742 RMR

CTS:lmk&cjs:pg

cts: lmk  
cjs  
kjr

2005 BILL

In: 2/17/05 11:32A  
Due: 2/18/05

ReGen

- 1 AN ACT *to create* 134.75 of the statutes; **relating to:** terms and conditions of gift  
2 certificates, gift cards, and other gift obligations and providing a penalty.

---

***Analysis by the Legislative Reference Bureau***

INS A

This bill regulates the sale and redemption of gift certificates, gift cards, and similar items (gift obligations). The bill prohibits the sale of a gift obligation that is subject to an expiration date, unless the expiration date is at least five years after the date of the sale. The bill prohibits reducing the value of a gift obligation as a penalty for nonuse. The bill also prohibits the sale of a gift obligation unless the date of the sale is written on the face of the gift obligation. When a person redeems a gift obligation and the resulting balance of the the gift obligation is less than \$5, the bill requires the person redeeming the gift obligation to refund the balance in cash, upon the request of the person redeeming the gift obligation. The provisions of the bill do not apply to any of the following: 1) a gift obligation sold for less than the amount of the obligation; 2) a sale or redemption of a gift obligation transacted through the Internet; or 3) a gift obligation that must be redeemed through an Internet transaction.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

## BILL

1           **SECTION 1.** 134.75 of the statutes is created to read:

2           **134.75 Gift obligations.** (1) In this section, “gift obligation” means a gift  
3 certificate, gift card, or other document that is evidence of an obligation arising from  
4 a transaction between a seller and a purchaser under which the seller, for  
5 consideration, agrees to provide goods or services, up to a specified amount, to the  
6 bearer of the gift certificate, gift card, or other document at a later date.

7           (2) No person may sell a gift obligation unless the face of the gift obligation  
8 clearly indicates the date on which the gift obligation was sold.

9           (3) No person may reduce the value of a gift obligation as a penalty for nonuse.

10          (4) No person may sell a gift obligation that is subject to an expiration date,  
11 unless the expiration date is at least 5 years after the date on which the gift obligation  
12 is sold. An expiration date that purports to apply to a gift obligation and that is less  
13 than 5 years after the date on which the gift obligation is sold shall be void and  
14 unenforceable.

15          (5) If the holder of a gift obligation partially redeems the gift obligation, and  
16 the resulting balance of the gift obligation is less than \$5, the seller shall, at the  
17 holder’s request, refund to the holder the balance of the gift obligation in cash.

18          (6) A person who violates this section shall forfeit not less than \$25 nor more  
19 than \$100 for each violation.

20          (7) This section does not apply to any of the following:

21          (a) A gift obligation sold to a purchaser for an amount that is less than the  
22 amount of the gift obligations. INS2-22

23          (b) A sale or redemption of a gift obligation that is transacted exclusively  
24 through the Internet.

25          (c) A gift obligation that must be redeemed through an Internet transaction.

**BILL****SECTION 2. Initial applicability.**

(1) This act first applies to gift obligations, as defined in section 134.75 (1) of the statutes, as created by this act, that are sold on the effective date of this subsection.

**SECTION 3. Effective date.**

(1) This act takes effect on first day of the 10th month beginning after publication.

(END)



**2005-2006 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0647/5ins  
CTS:lmk&cjs:pg

**Insert A:**

to a charitable or nonprofit organization or to a person who transfers the gift obligation to another primarily for the benefit of a charitable or nonprofit organization.

**Insert 2-22:**

, if the purchaser is a charitable or nonprofit organization or if the purchaser transfers the gift obligation to another primarily for the benefit of a charitable or nonprofit organization.

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0647/5dn  
CTS:lmk&cjs:pg

(date)

Representative Krusick:

This is a redraft of LRB05-0647/4. In this draft, the exception for gift obligations sold below face value applies only to gift obligations sold to a charitable or nonprofit organization or to a person who transfers the gift obligation to another primarily for the benefit of a charitable or nonprofit organization. ✓

Per your instructions, I have not defined "charitable or nonprofit organization." Please contact me if you would like me to clarify this term or if you have any questions. ✓

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0647/5dn  
CTS:lmk:pg

February 17, 2005

Representative Krusick:

This is a redraft of 2005 LRB-0647/4. In this draft, the exception for gift obligations sold below face value applies only to gift obligations sold to a charitable or nonprofit organization or to a person who transfers the gift obligation to another primarily for the benefit of a charitable or nonprofit organization.

Per your instructions, I have not defined "charitable or nonprofit organization." Please contact me if you would like me to clarify this term or if you have any questions.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us